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State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Executive Director

Division of Oil, Gas and Mining

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February 15, 2012

Outgoing
C0250005
#4000
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Kirk Nicholes
Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84720

Subject: Addendum to Appendix 3-5, Alton Coal Development, LLC, Coal Hollow,
C/025/0005, Task ID #4000

Dear Mr. Nicholes:

The Division has reviewed the addendum to Appendix 3-5, entitled "Greater Sage Grouse Population and Habitat Improvements Progress Report," which was received on January 23, 2012. The Division will not approve the plan as written. The plans as submitted are denied. Please resubmit the entire application by no later than March 1, 2012.

The attached memo outlines the modifications to be made to the Addendum to Appendix 3-5, as discussed during a February 8, 2012 meeting between the Division, UDWR, and Alton Coal Resources staff and consultants. Please revise the Addendum to Appendix 3-5 to include the information outlined in each deficiency. A deficiency list is also attached.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
Enclosure
cc: Price Field Office
O:\025005.COL\WG4000\DEF4000.doc



Deficiency List
Task No. 4000

Addendum to Appendix 3-5 "Greater Sage Grouse Population and Habitat Improvements Progress Report"

The review team included the following individuals: Joe Helfrich

R645-301-322, -301-333, -301-342, -301-358,

- Page 3, the last paragraph the Permittee needs to elaborate on how the objectives will be accomplished.
- Page 4, the information in Table 2 needs to be mapped, analyzed and summarized with conclusions and recommendations. The table and data generated from future observations should include approximate and or actual GPS coordinates and a category for identifying the birds, (male female, juvenile).
- Page 7, the reference to Carl Heaton in paragraph 4 should be figure 1.
- In order to meet the goals outlined on page three of the current Appendix 3-5 the Permittee should revise page 13 of the Addendum to Appendix 3-5 to include the following information:

1. Habitat Restoration

A. A map to appropriate scale, 1:24000 or larger, which clearly delineates the following:

- The acreage of the vegetation treatment areas that have been completed within the corridor,
- The acreage of the conservation area for the sage-grouse that will not be mined,
- The acreage of the juniper removal area,
- A summary of the acreages for these areas,

B. A map to appropriate scale, 1:24000 or larger, which clearly delineates proposed vegetation treatment areas for 2012 based on the agencies', (DWR, DOGM, FWS), recommendation of 7 acres of habitat restoration for each acre of disturbance, (3045/435).

2. Monitoring,

- A. A complete data set from Dr. Frey's monitoring efforts,
- B. A plan and survey protocol for vegetation and wildlife for the current and future habitat restoration areas,
- C. A plan, maps and survey protocol for aerial, (2surveys, March and April 1st), and ground surveys for sage grouse, presence of other wildlife species should be noted,
- D. A detailed plan for using decoys to shift breeding activities to alternate lek sites in Sink Valley,
- E. A copy of the invoice and receipt of payment from the Division of wildlife services for predator control for 2012 and a commitment in the revised appendix noting the time frame for future predator control and a yearly assessment of the effectiveness of the program and,

3. A revised employee awareness program that includes participation with DWR.